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Integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic, social and related fields

United Nations reform: measures and proposals

Follow-up to the outcome of the Millennium Summit

Review of the efficiency of the administrative and financial functioning of the United Nations

Programme budget for the biennium 2006-2007

Improving the financial situation of the United Nations

Human resources management

Letter dated 5 June 2006 from the Permanent Representative of South Africa to the United Nations addressed to the Secretary-General

I have the honour to transmit, herewith, a statement adopted by the Special Ministerial Meeting of the Group of 77 held in Putrajaya, Malaysia, on 29 May 2006 (see annex).

On behalf of the Group of 77 and China, I would appreciate if the present letter could be circulated as a document of the sixtieth session of the General Assembly under agenda items 46, 118, 120, 122, 124, 126 and 129.

(*Signed*) Dumisan S. **Kumalo**
Ambassador and Permanent Representative of the
Republic of South Africa to the United Nations
Chairman of the Group of 77

06-37850 (E) 130606

Annex to the letter dated 5 June 2006 from the Permanent Representative of South Africa to the United Nations addressed to the Secretary-General

STATEMENT ADOPTED BY THE SPECIAL MINISTERIAL MEETING OF THE GROUP OF 77 AND CHINA PUTRAJAYA (MALAYSIA) 29 MAY 2006

We, the Ministers of Foreign Affairs of the Group of 77 and China meeting in Putrajaya, Malaysia, on 29 May 2006, having reviewed developments in the follow up to the 2005 World Summit Outcome in the areas of United Nations System Wide Coherence, Management and Secretariat Reform, Mandate Review and on providing predictable financial resources to the United Nations, state the following:

1. We reaffirm our determination to further strengthen the role, capacity, effectiveness and efficiency of the United Nations in the field of development, and thus improve its performance, in order to realize the full potential of the organization, in accordance with the purposes and principles of the Charter of the United Nations, and to respond more effectively to the needs of Member States and in particular to the new global challenges facing the United Nations in the twenty-first century and in this regard we emphasize the need for creating an enabling environment for development and enhance global political will to assist developing countries to achieve their development goals and that to achieve the internationally agreed development goals including the Millennium Development Goals we must succeed in mainstreaming development as the central pillar of the United Nations agenda.

2. We stress that the outcomes of all major United Nations summits and conferences have laid the foundations to promote development, commitments have been made, including on systemic issues, all that is now needed is the full implementation of all commitments made at all the major United Nations summits and conferences in the economic, social and related fields.

3. We strongly believe that the United Nations should be provided with the needed support to develop its full potential in the field of international development cooperation. To that end, the realization of the right to development should be given utmost priority by the United Nations. We emphasize that the full implementation of all commitments made at the major United Nations conferences and summits in the economic, social and related fields, should be integrated and equitably mainstreamed into the work and activities of the United Nations, including the right to development, the environmental and social corporate responsibility and accountability and policy space. The United Nations system should examine ways to take account of these agreed principles in its process of decision-making.

4. We emphasize that given its universality and legitimacy, the United Nations is the apex of multilateralism. Nothing should be done to undermine its pluralism and its diversity.

5. We attach utmost importance to the full implementation of development commitments, including those relating to the strengthening of the Economic and Social Council, made in the outcomes of the major United Nations conferences and summits in the economic, social and related fields, including the World Summit Outcome. We are concerned at the slow progress in the process of consultations initiated to implement the 2005 World Summit Outcome decisions on development and call upon the developed countries to demonstrate political will so as to reach substantive agreements on development follow-up and strengthening of the Economic and Social Council.

System Wide Coherence

6. We emphasize that the System Wide Coherence process must be aimed at strengthening multilateralism and promoting equity and development including development cooperation in the United Nations. This should be achieved through an enhanced global partnership for development, including more effective assistance to developing countries.

7. We emphasize that there is a need to establish an effective and comprehensive accountability and monitoring mechanism to track the implementation by developed countries of commitments undertaken in the major United Nations conferences and summits in the economic, social and related fields and various inter-governmental bodies, to support national development strategies of developing countries.

8. We further emphasize that the United Nations is the premier international organisation and system, addressing sustainable development in its three components: namely economic development, social development and environment protection. In that regard, its role should be strengthened so as to cover the normative, analytical, policy and operational aspects of development, bearing in mind that the normative work of the organization is the outcome of an inter-governmental decision making process and is addressed to the full membership of the United Nations.

9. We stress that the fundamental characteristics of the operational activities for development of the United Nations system must be, inter alia, their universal, voluntary and grant nature, their neutrality and their multilateralism, as well as their ability to respond to the development needs of recipient countries in a flexible manner.

10. We emphasize that the United Nations General Assembly resolution entitled "Triennial comprehensive review of operational activities for development of the United Nations system", A/RES/59/250, constitutes the policy framework agreed at the inter-governmental level for the operational activities of the United Nations system and that the System Wide Coherence process must take into account these periodic reviews, at the inter-governmental level.

11. We note with concern that the multilateral development system lacks good global governance. There is a need to substantially improve coherence in mandates and roles, accountability and representation. Therefore, we support an analysis of the entire multilateral architecture. The System Wide Coherence process should focus on areas where better coordination and coherence is needed. Total or immediate restructuring of the United Nations activities or architecture should not constitute a

goal in itself. Efficiency and effectiveness is not always guaranteed by the collapse or merging of institutions. The research and studies that will be undertaken by experts on the System Wide Coherence process should focus on the major reasons hindering the achievement of the internationally agreed development goals including the MDG's. This process should show due regard for the political sensitivities of mandates and should not be a pretext to eliminate political mandates.

12. We stress that the System Wide Coherence process must take into account national conditions, and ensuring respect for national ownership, strategies and sovereignty. Greater policy space must be given to the developing countries to enable national development strategies to be comprehensively nationally owned. The United Nations work in development must be fully aligned and complementary to nationally owned development goals. The concept of coherence has to be considered in terms of the policy and institutional framework of the United Nations and should take into account the different approaches which currently exist in the pursuit of national development strategies.

13. We underscore that the United Nations should continue to have a holistic and comprehensive approach towards development. The System Wide Coherence process should also address areas such as trade, finance and macro-economic policy. Therefore the System Wide Coherence process should not limit the United Nations role into niche issues.

14. We emphasize that one of the fundamental reforms required would be for the United Nations, which is the most representative global organization, to mobilize the highest political commitment, and to provide policy directions and guidance to the Bretton Woods Institutions, the World Trade Organization and other relevant organizations and institutions that have an impact in the development of many countries. Key to promoting good governance at the international level would be the active voice and effective participation by developing countries in the international decision-making processes, in particular the Bretton Woods Institutions, which is central to promoting the legitimacy, relevance and effectiveness of the international financial system and international financial institutions.

15. We stress that the System Wide Coherence process should enhance inter-governmental oversight and coordination, including through the strengthening of the role of the Economic and Social Council in that regard.

16. We underscore that any changes that might need to be introduced to the current system, both at the country level, or at the level of the headquarters, should not lead to additional financial burden to developing countries or to unnecessary administrative costs or unwieldy management structures. Such changes should not disrupt on-going development plans and activities. The one-size fits all approach should not be applied. Diversity, different levels of development, cultural differences as well as regional and sub-regional specificities require implementation changes at the country level based on a case by case basis, taking into account national priorities and strategies and with the consent of the government concerned.

17. We stress that the United Nations system both at the headquarters and at the country level, with regards to the delivery of mandated activities and efficient management should be fully

accountable to the Member States. The oversight role of Member States over the mandated activities of different governing bodies of the funds and programmes of the United Nations should be strengthened further.

18. We stress that the objective to achieve System Wide Coherence should not be a cost cutting exercise. Reductions in administrative expenses should be redirected to programmes in each country. The principles of cost recovery should be harmonized, and its proceeds retained and spent on development programmes.

19. We underscore that financial resources should have the characteristics of predictability, sufficiency, flexibility and sustainability. For the last three decades, in general, unpredictability, insufficiency and inflexibility and unsustainability of financial resources have characterized the United Nations funds, programmes and agencies at the country level, thus crippling their ability to implement programmes successfully. The United Nations should avoid shifting resources from development activities to other activities which are donor-driven and not in line with the priorities of developing countries. We stress that core resources because of their untied nature should continue to be the bedrock of the operational activities and these resources should not be diverted away from core issues of development to donor driven priorities. The challenge of the gap between development mandates and resources needs to be given priority.

20. We reaffirm that the resident coordinator system, within the framework of national ownership, has a key role to play in the effective and efficient functioning of the United Nations system at the country level, including in the formulation of the common country assessment and the United Nations development Assistance Framework, and is a key instrument for the efficient and effective coordination of the operational activities for development of the United Nations system.

21. We reiterate the important role of UNCTAD as the focal point within the United Nations for the integrated treatment of trade and development and interrelated issues in the areas of finance, technology, investment and sustainable development. We commit ourselves and call upon the international community to work towards the strengthening of UNCTAD, to enhance its contribution in its three major pillars, namely consensus building, research and policy analysis, and technical assistance especially through increased core resources of UNCTAD. We further reiterate the need to operationalize the new functions mandated by UNCTAD XI in the areas of policy space, corporate responsibility and new and emerging fields of information and communication technology and to reinvigorate its intergovernmental machinery.

22. We underline the important role of the United Nations Regional Commissions to further contribute, within their respective mandates to the review of progress made in the implementation of and follow-up to the outcomes of major United Nations conferences and summits in the economic, social and related fields at regional level. In this regard, we stress the need to provide the necessary resources, particularly through the United Nations regular budget, for the Regional Commissions, in order to enable them to fulfil their mandates effectively.

Secretariat and Management Reform

23. We reaffirm our strong support to the United Nations, and to all collective efforts aiming at enhancing its ability to fully implement its mandates and to ensure the effective delivery of all its programmes, in particular in the social and economic development field. We firmly believe that the legitimacy and viability of any reform measures depend ultimately on the broad support of Member States of the United Nations, as well as of the United Nations staff who dedicate themselves to the values and principles of the Organization. We emphasize that measures to reform the United Nations should respond to the unique intergovernmental, multilateral and international character of the United Nations. We call on the Secretary-General to fully implement General Assembly resolution 60/260 on "Investing in the United Nations: for a stronger Organization worldwide", and stress that proposals that were not endorsed by the General Assembly should not be re-submitted.

24. We affirm that the sovereign equality of Member States, as enshrined in the Charter of the United Nations, must be respected, including throughout the reform process, irrespective of the contributions that individual Member States make to the budgets of the Organization. Any attempt to change the governance arrangements exercised through the General Assembly, its Main Committees and subsidiary and expert bodies or to exclude some Member States from contributing to the decision-making processes in the Organization contradicts the spirit and letter of the Charter. We support the provisions of General Assembly resolution 60/260 which upholds the role of Member States, through the relevant Main Committee of the General Assembly, in the consideration of budgetary and administrative matters.

25. We strongly support the oversight role performed by the General Assembly, as well as its relevant intergovernmental and expert bodies, in the planning, programming, budgeting, monitoring and evaluation. We reaffirm that the reform efforts are not intended to change the intergovernmental, multilateral and international nature of the organization but should strengthen the ability of Member States to perform this oversight and monitoring role. We stress the right of the entire membership of the United Nations to pronounce on the administration of the Organization, including on its budgetary matters.

26. We stress the importance of ensuring that the Secretariat meets the highest standards of accountability, transparency, integrity and ethical conduct. We therefore urge the Secretary-General as a matter of priority to define accountability in the Organization, establish clear accountability mechanisms to the General Assembly, and propose parameters for the application of accountability and instruments for its rigorous enforcement.

27. We welcome the management reforms adopted so far by the General Assembly. We stress that reform of human resources management, Administration of Justice, and procurement should reflect the international character of the Organization. In this regard, we:

(i) support a more fair and transparent system of internal justice where staff members are held accountable for wrongdoings, irrespective of their nationality and seniority. We stress that

corrective measures have be taken to prevent and address any instances of mismanagement, fraud and corruption, whilst ensuring that due process is followed;

(ii) underscore the need to provide concrete measures to ensure greater market access by businesses from developing countries in United Nations procurement; and

(iii) stress the need for establishing clear mechanisms to increase the representation of developing countries in the Secretariat, in particular in the senior echelons where positions in practice have invariably been held by nationals from a few countries.

Mandate review

28. We recognize the efforts by the Secretary-General to facilitate the mandate review exercise, which is intended to "strengthen and update" the programme of work of the Organization and enable it to deliver it's existing and new mandates more effectively. We stress that the one time review is limited to mandates originating from decisions adopted by the Principal Organs of the United Nations that are older than five years and have not been renewed since. Mandates that are older than five years and have been reaffirmed in the past five years do not fall within the scope of the exercise. The review should fully respect the politically sensitive mandates.

29. We stress that setting the priorities of the Organization, as reflected in legislative decisions, remains the prerogative of Member States. We emphasize that the exercise should not change the inter-governmental nature of the decision-making, oversight and monitoring processes, or re-define the roles and responsibilities of various Organs of the United Nations as identified by the Charter. We further stress that such an exercise is not aimed at cutting the costs of the Organization or to reduce the budget levels and fund more activities from within the existing resources. We agree that any savings that may result from the outcome of the exercise should be redirected to the activities of the Organization in the development area.

30. We underscore the importance of addressing the implementation of mandates and assessing the reasons for less than full or non-implementation. We also believe that Member States should be willing to increase the financial and human resources that have been allocated to programmes if the lack of resources hinders the full implementation of mandates or activities. In this regard, we reaffirm our commitment to ensure that mandates, in particular those related to development, receive adequate resources. We urge all Member States to illustrate their commitment to the Organization through a willingness to provide adequate resources to all mandate programmes and activities, especially those related to development.

Providing predictable financial resources to the United Nations

31. We emphasize that the Secretary General should receive adequate and predictable resources to undertake effectively the numerous tasks entrusted to the United Nations, as mandated by Member States. We regret the exceptional and unprecedented measure of restricting the expenditures of the Organization by authorizing the Secretary-General only to enter into expenditures limited to fifty percent of the approved budget of 2006. We underline that the measure imposed upon the Organization has adversely affected programme delivery in the Organization. We stress that this limit

on the expenditure of the Organization shall be automatically lifted upon the request of the Secretary General at the appropriate time. We call on all Member States to act accordingly.

32. We agree that the financial stability of the United Nations should not be jeopardized. We believe that efforts to use the size of financial contributions to push for the adoption of certain proposals are counterproductive and violate the obligations of Member States to provide resources for the Organization, as enshrined in its Charter, and in accordance with the principle of capacity to pay.